



General Assembly

February Session, 2002

Raised Bill No. 498

LCO No. 1915

Referred to Committee on Finance, Revenue and Bonding

Introduced by:
(FIN)

***AN ACT CREATING AN EARNED INCOME CREDIT AGAINST THE
PERSONAL INCOME TAX.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 Section 1. (NEW) (*Effective from passage and applicable to taxable years*
2 *commencing on or after January 1, 2002*) Any person who qualifies for and
3 claims the earned income credit allowable under Section 32 of the
4 Internal Revenue Code of 1986, or any subsequent corresponding
5 internal revenue code of the United States, as from time to time
6 amended, for any taxable year shall be entitled to a credit in determining
7 the amount of tax liability under chapter 229 of the general statutes for
8 such taxable year. The credit allowed under this section shall equal ten
9 per cent of the credit allowed under Section 32 of said Internal Revenue
10 Code for the taxable year. If the amount of the credit allowed under this
11 section exceeds the taxpayer's liability, the Commissioner of Revenue
12 Services shall treat such excess as an overpayment and shall pay the
13 taxpayer the amount of such excess, without interest.

This act shall take effect as follows:

Section 1	<i>from passage and applicable to taxable years commencing on or after January 1, 2002</i>
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Statement of Purpose:

To provide for a state earned income credit against the state personal income tax.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]